GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:476
ANSWERED ON:13.12.2010
DEFENCE DEALS
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Will the Minister of DEFENCE be pleased to state:

(a) the number of cases of alleged irregularities/corruption in defence deals reported during the last three years and the current year;

(b) the details of officials and companies involved therein;

(c) the details of inquiries conducted into each of the cases and the outcome thereof;

(d) the action taken/being taken against them; and

(e) the measures being taken by the Government to check recurrence of such cases?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) & (b): The Central Bureau of investigation (CBI) had registered an FIR against Shn Sudipto Ghosh, former Director General of Ordnance Factories (DGOF) and some others in May, 2009. The said FIR mentions, inter alia, the names of the following firms/vendors:

1. M/s Israeli Military Industries, Israel.
2. M/s Singapore Technology, Singapore.
3. M/sHYTEngg.
4. M/s T.S. Kissan and Co. Pvt. Ltd., New Delhi.
5. M/s R.K. Machine Tools Pvt. Ltd., Ludhiana.
6. M/s BBT, Poland.
7. M/s Media Architects Pvt. Ltd., Singapore.

(c) So far, the CBI has charge sheeted, among others, Shri Sudipto Ghosh, former DGOF and two firms, namely, M/s T.S. Kissan and Co. Pvt. Ltd., New Delhi and M/s R.K. Machine Tools Pvt. Ltd., Ludhiana. In respect of other companies, the CBI report indicates that there is a prime facie or circumstantial evidence of payment of illegal gratification to Shri Sudipto Ghosh. The matter is under further investigation by CBI.

(d) Departmental proceedings are being contemplated against Shri Sudipto Ghosh, former DGOF, under Rule 9 of CCS (Pension) Rules, 1972 and show cause notices are being issued to the companies recommended for blacklisting by the CBI.

(e) The Defence Procurement Procedure contains stringent provisions aimed at ensuring the highest degree of probity, public accountability and transparency. The Procedure provides for the mechanism of Pre-Contract Integrity Pact in procurement cases of the estimated value exceeding Rs.100 crore as well as provisions prohibiting engagement of agents or use of undue influence.